

# ENFORCEMENT DECREE OF KOREA GAS CORPORATION ACT

Wholly Amended by Presidential Decree No. 11974, Oct. 6, 1986  
Amended by Presidential Decree No. 13362, Apr. 24, 1991  
Presidential Decree No. 13413, Jul. 1, 1991  
Presidential Decree No. 13870, Mar. 6, 1993  
Presidential Decree No. 14438, Dec. 23, 1994  
Presidential Decree No. 15608, Jan. 16, 1998  
Presidential Decree No. 17854, Dec. 30, 2002  
Presidential Decree No. 18312, Mar. 17, 2004  
Presidential Decree No. 20678, Feb. 29, 2008  
Presidential Decree No. 21215, Dec. 31, 2008  
Presidential Decree No. 22151, May 4, 2010  
Presidential Decree No. 24442, Mar. 23, 2013

## Article 1 (Purpose)

The purpose of this Decree is to prescribe matters delegated by the Korea Gas Corporation Act (hereinafter referred to as the "Act") and matters necessary for the implementation thereof.

**Article 2 Deleted.** <by Presidential Decree No. 15608, Jan. 16, 1998>

**Article 3 Deleted.** <by Presidential Decree No. 15608, Jan. 16, 1998>

**Article 4 Deleted.** <by Presidential Decree No. 15608, Jan. 16, 1998>

**Article 5 Deleted.** <by Presidential Decree No. 15608, Jan. 16, 1998>

## Article 6 (Registration for Incorporation)

Matters necessary for registration for the incorporation of the Korea Gas Corporation (hereinafter referred to as the "Corporation") shall be as follows: <Amended by Presidential Decree No. 15608, Jan. 16, 1998>

1. The objectives;
2. The name;
3. The seat of the principal office;
4. The seats of branch offices and places of business;
5. Capital;
6. Methods of making investments and the amount of investments made;

7. The name, resident registration number and domicile of the President thereof;
8. The names, resident registration numbers and domiciles of executives other than the President thereof;
9. Methods of giving public announcements.

#### **Article 7 (Registration of Establishment of Branch Offices, etc.)**

(1) When the Corporation establishes a branch office or place of business (hereinafter referred to as "branch office"), it shall register a branch office or place of business respectively with the registry according to the following classification: *<Amended by Presidential Decree No. 15608, Jan. 16, 1998>*

1. The name and the seat of a newly established branch office, within two weeks at the seat of the principal office;
2. Matters referred to in subparagraphs 1 through 3, 7 and 9 of Article 6, within three weeks at the seat of a newly established branch office;
3. Deleted. *<by Presidential Decree No. 15608, Jan. 16, 1998>*

(2) Deleted. *<by Presidential Decree No. 15608, Jan. 16, 1998>*

#### **Article 8 (Registration of Relocation)**

(1) When the Corporation relocates its principal office or branch office to a district under the jurisdiction of another registry, it shall register such relocation with the registry at the former seat thereof, within two weeks and matters referred to in subparagraphs 1 through 3, 7 and 9 of Article 6 with the registry at the new seat thereof within three weeks, respectively. *<Amended by Presidential Decree No. 15608, Jan. 16, 1998>*

(2) Deleted. *<by Presidential Decree No. 15608, Jan. 16, 1998>*

#### **Article 9 (Registration of Modifications)**

When any matter referred to in Article 6 is modified, the Corporation shall register such modification with the registry within two weeks at the seat of the principal office. In such cases, when any matter referred to in subparagraphs 1 through 3, 7 and 9 of Article 6 is modified, it shall also register such modification with the registry at the seat of the relevant branch office within three weeks.

#### **Article 10 (Registration of Appointment of Agents, etc.)**

(1) When the President of the Corporation appoints an agent pursuant to Article 9 of the Act, he/she shall register the following matters with the registry at the seat of the principal office or a branch office where the agent is appointed, within two weeks. The same shall also apply when any registered matters are modified: *<Amended by Presidential Decree No. 15608, Jan. 16, 1998>*

1. The name, resident registration number and domicile of the agent;
2. Deleted. *<by Presidential Decree No. 15608, Jan. 16, 1998>*
3. When the authority of the agent is limited, the details of such limitation.

(2) When the President of the Corporation has dismissed an agent, he/she shall register such dismissal with the registry at the seat of the principal office or a branch office where the agent is appointed, within two weeks.

## **Article 11 (Applications for Registration and Accompanying Documents)**

Each application for registration under Articles 6 through 10 shall be accompanied by the following documents:

1. The articles of incorporation of the Corporation, documents evidencing the paid in capital and qualification of executives for registration for the incorporation of the Corporation under Article 6;
2. Documents evidencing the establishment of a branch office for registration of the establishment of the branch office under Article 7;
3. Documents evidencing the relocation of the principal office or a branch office for registration of the relocation thereof under Article 8;
4. Documents evidencing the matters modified for registration of modification under Article 9;
5. For registration of the appointment, change or dismissal of an agent under Article 10, documents evidencing that such appointment, change or dismissal is made under Article 9 of the Act, and when the authority of the relevant agent has been limited pursuant to Article 10 (1) 3, documents evidencing the relevant limitation.

## **Article 12 (Computation of Deadline for Registration)**

When matters requiring authorization or approval of the Minister of Trade, Industry and Energy among matters to be registered pursuant to Articles 6 through 10, the deadline for registration of such matters shall be computed from the date documents concerning the relevant authorization or approval reach an applicant, respectively. <Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>

## **Article 13 (Activities Corporation May Invest in or Finance)**

(1) Activities the Corporation may invest in or finance pursuant to Article 12 (2) of the Act shall be as follows: <Amended by Presidential Decree No. 13362, Apr. 24, 1991>

1. Activities concerning research and technical development on natural gas or liquefied petroleum gas and the utilization thereof;
2. Activities utilizing cold and heat from natural gas;
3. Research activities on gas safety management;
4. General urban gas businesses under the Urban Gas Business Act;
5. Other Activities related to activities of the Corporation.

(2) Deleted. <by Presidential Decree No. 15608, Jan. 16, 1998>

## **Article 13-2 (Research and Technical Development)**

(1) The President of the Corporation shall formulate a project plan for research and technical development referred to in subparagraph 5 of Article 11 of the Act (hereinafter referred to as "research and technical development") each year following a resolution passed at a board of directors meeting, and submit the project plan to the Minister of Trade, Industry and Energy by no later than two months prior to the start of each fiscal year. The same shall also apply when a project plan for research and technical development is revised. <Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998;

*Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

(2) Deleted. *<by Presidential Decree No. 15608, Jan. 16, 1998>*

(3) The following matters shall be included in a project plan for research and technical development formulated under paragraph (1):

1. Matters concerning research and technical development tasks;
2. Methods of and timing for contribution;
3. Matters concerning the amount of contributions;
4. Other matters deemed necessary for research and technical development.

(4) The Corporation shall appropriate an amount of at least one percent of gas sales in the relevant business year in the budget each business year for use or contribution under Article 12 (3) of the Act.

#### **Article 13-3 (Submission of Project Plans, etc.)**

(1) A person who intends to obtain contributions pursuant to Article 13-2 (4) shall submit a project plan and a budget bill to the President of the Corporation by no later than four months prior to the start of each fiscal year, as determined by the President of the Corporation.

(2) Where the President of the Corporation deems a project plan or a budget bill submitted under paragraph (1) inappropriate, he/she may request it to be adjusted.

(3) A person who has obtained contributions shall submit the outcomes of execution of a project plan and a budget execution plan for each quarter to the President of the Corporation within 20 days from end of the relevant quarter.

(4) The Corporation shall determine other details necessary for research and technical development.

#### **Article 14 (Supervision)**

"Matters prescribed by Presidential Decree" in subparagraph 3 of Article 16 of the Act mean the following:

1. Matters concerning the utilization of the nationwide gas pipeline network of the Corporation by a person, other than the Corporation;
2. Matters concerning participation in overseas natural gas development projects and the long-term importation of natural gas.

#### **Article 14-2 (Applications for Approval of Implementation Plans)**

(1) When the Corporation intends to obtain approval of an implementation plan (hereinafter referred to as "implementation plan") or any revision thereto pursuant to Article 16-2 (1) of the Act, it shall submit an application for approval of a gas project implementation plan stating the following matters or an application for approval of revision to the Minister of Trade, Industry and Energy: *<Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

1. The area where the project is implemented;
2. The type and name of the project;

3. The name and domicile of the project operator and the name of its representative;
4. The location and the area of the project;
5. The implementation period of the project.

(2) An application for approval of a gas project implementation plan referred to in paragraph (1) shall be accompanied by the following documents. In such cases, the Minister of Trade, Industry and Energy shall confirm a cadastral map of a project area through administrative data matching under Article 36 (1) of the Electronic Government Act: *<Amended by Presidential Decree No. 17854, Dec. 30, 2002; Presidential Decree No. 21215, Dec. 31, 2008; Presidential Decree No. 22151, May 4, 2010; Presidential Decree No. 24442, Mar. 23, 2013>*

1. A funding plan (including a fund usage plan and a fund raising plan for each year);
2. A location map of the project area;
3. A planned ground plan and rough design drawings;
4. Documents concerning the construction of public infrastructure and the apportionment of expenses under Article 16-6 of the Act;
5. A relocation and removal plan of public infrastructure and a construction plan of replacement infrastructure;
6. A report on the locations, lot numbers, land categories and area of land or buildings to be expropriated or used, and details of rights other than the ownership;
7. Documents stating the names and domiciles of owners of land, a building, right, etc. (hereinafter referred to as "land, etc.") and interested persons as defined in subparagraph 5 of Article 2 of the Act on Acquisition of and Compensation for Land, etc. for Public Works;
8. A plan for purchasing land, etc. and compensation therefor.

(3) An application for approval of revisions to a gas project implementation plan referred to in paragraph (1) shall be accompanied by a comparative table of the content of revisions, a statement giving the grounds for revisions, an explanation of the outline of revised works and revised documents among documents referred to in subparagraphs 1 through 8 of paragraph (2): Provided, That where the project area is changed, the Minister of Trade, Industry and Energy shall confirm a cadastral map of the project area through administrative data matching under Article 36 (1) of the Electronic Government Act. *<Amended by Presidential Decree No. 21215, Dec. 31, 2008; Presidential Decree No. 22151, May 4, 2010; Presidential Decree No. 24442, Mar. 23, 2013>*

#### **Article 14-3 (Matters, etc. not Requiring Approval of Implementation Plans or Revisions thereto)**

(1) "Matters prescribed by Presidential Decree" in the proviso to Article 16-2 (1) of the Act mean the following: *<Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

1. A gas project implemented within an existing gas project area;
2. A gas project urgently required for the balance of supply and demand and safety of gas;
3. Changes in the following matters with respect to an implementation plan approved pursuant to Article 16-2 (1) of the Act:

- (a) Changes in the project area due to topographical conditions, consultation with landowners, purchase of residual land, etc.;
- (b) Changes in the implementation period of a project;
- (c) Changes in the project cost not exceeding ten percent of the total project cost;
- (d) Changes in matters concerning the construction of public infrastructure and the apportionment of expenses under Article 16-6 of the Act;
- (e) Changes in matters concerning a plan for purchasing land, etc. and compensation therefor;
- (f) Changes in the location of the construction or specifications of infrastructure.

4. A gas project that does not require approval, permission, etc. under the subparagraphs of Article 16-3 of the Act or a gas project, the implementation of which is deemed efficient by the Minister of Trade, Industry and Energy deems upon obtaining approval, permission, etc. under relevant Acts and subordinate statutes because the details of such approval, permission, etc. is insignificant where part of approval, permission, etc. under the same Article is required.

(2) When the Corporation intends to make changes as provided for in the items of paragraph (1) 3, it shall report to the Minister of Trade, Industry and Energy along with a statement giving the grounds for such changes. *<Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

#### **Article 14-4 (Procedures for Consultation)**

(1) When the Minister of Trade, Industry and Energy intends to consult with the head of a relevant administrative agency pursuant to Article 16-2 (2) of the Act, he/she shall forward a copy of an implementation plan to the head of the relevant administrative agency. *<Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

(2) Upon receipt a request for consultation made under paragraph (1), the head of the relevant administrative agency shall notify the Minister of Trade, Industry and Energy of his/her opinion within 45 days after receipt of the request for consultation, except in extenuating circumstances. *<Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

#### **Article 14-5 (Announcement of Approval of Implementation Plans, etc.)**

(1) Matters to be announced pursuant to Article 16-2 (3) of the Act shall be as follows: *<Amended by Presidential Decree No. 17854, Dec. 30, 2002>*

1. The name of the project;
2. The name and domicile of the project operator and the name of its representative;
3. The objectives and outline of the project;
4. The location and the area of the project;
5. The implementation period of the project;

6. The locations, lot numbers, land categories and area of land or buildings to be expropriated or used, and details of rights other than the ownership;

7. The names and domiciles of owners of land, etc. and interested persons as defined in subparagraph 5 of Article 2 of the Act on Acquisition of and Compensation for Land, etc. for Public Works.

(2) When the Minister of Trade, Industry and Energy has announced approval of an implementation plan or any revision thereto pursuant to Article 16-2 (3) of the Act, he/she shall forward a copy of the implementation plan to the head of the relevant administrative agency and the head of a local government without delay. *<Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

(3) Upon receipt of a report on matters referred to in Article 14-3 (1) 3 (a) or (b), the Minister of Trade, Industry and Energy shall announce such matters. *<Newly Inserted by Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

#### **Article 14-6 (Procedures for Consultation on Matters Requiring Permission by Administrative Agencies)**

(1) When the head of any relevant administrative agency intends to consult with the Minister of Trade, Industry and Energy pursuant to Article 16-4 of the Act, he/she shall forward a copy of a construction plan to the Minister of Trade, Industry and Energy: Provided, That he/she may hold consultation by a separate method where confidentiality is required for military purposes. *<Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

(2) Upon receipt a request for consultation made under paragraph (1), the Minister of Trade, Industry and Energy shall notify the head of the relevant administrative agency of his/her opinion within 45 days after receipt of the request for consultation, except in extenuating circumstances. *<Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

#### **Article 14-7 (Entrustment of Purchasing of Land, etc.)**

(1) When the Corporation intends to entrust affairs regarding the purchase of land, etc. and compensation for losses to the head of the competent local government pursuant to Article 16-5 (1), it shall consult on the details to be entrusted and the conditions of entrustment with the head of the relevant local government in advance.

(2) The rate of an entrustment fee referred to in Article 16-5 (2) of the Act shall be as specified in the attached Table of the Enforcement Decree of the Act on Acquisition of and Compensation for Land, etc. for Public Works. *<Amended by Presidential Decree No. 17854, Dec. 30, 2002>*

#### **Article 14-8 (Public Infrastructure, etc.)**

(1) "Other infrastructure prescribed by Presidential Decree" in Article 16-6 of the Act means railroads, telecommunication facilities, electric installations, sewerages and rivers.

(2) When the relevant administrative agency in charge of public infrastructure under Article 16-6 of the Act accepts a copy of an implementation plan in accordance with Article 14-5 (2), it shall notify the Minister of Trade, Industry and Energy of a plan to preferentially construct the relevant public infrastructure so that a gas project can be implemented smoothly. <Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>

#### **Article 14-9 (Service of Documents by Public Notice)**

(1) Where the Corporation serves a document by public notice under Article 16-8 of the Act, it shall give public notice of such document in a central daily newspaper or a newspaper published in the relevant region.

(2) Where the Corporation serves a document by public notice under paragraph (1), such document shall be deemed sent on the date public notice is given and shall be deemed to have reached the other party 14 days after such public notice is given: Provided, That the period for service by public notice to a person who is deemed to reside in a foreign country shall be two months.

#### **Article 15 (Procedures for Imposition and Collection of Fines for Negligence)**

(1) When the Minister of Trade, Industry and Energy imposes a fine for negligence pursuant to Article 20 (2) of the Act, he/she shall notify the person subject to a fine for negligence of an obligation to pay such fine for negligence, stating the relevant violation, the amount of the fine for negligence imposed and other matters, etc. after investigating and confirming the relevant violation. In such cases, the methods of filing an objection, a period for filing an objection, etc. shall be also stated in documents concerning the notification thereof.

(2) When the Minister of Trade, Industry and Energy intends to impose a fine for negligence pursuant to paragraph (1), he/she shall give the person subject to a fine for negligence an opportunity to state his/her opinion verbally or in writing (including an electronic document) within a period of at least ten days. In such cases, where the person subject to a fine for negligence fails to state his/her opinion within such period, he/she shall be deemed to have no opinion. <Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 18312, Mar. 17, 2004; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>

(3) The Minister of Trade, Industry and Energy shall consider the motive for the relevant violation, the consequences thereof, and other matters when determining the amount of a fine for negligence. <Amended by Presidential Decree No. 13870, Mar. 6, 1993; Presidential Decree No. 15608, Jan. 16, 1998; Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>

#### **ADDENDUM**

This Decree shall enter into force on the date of its promulgation.



ADDENDUM <Presidential Decree No. 13362, Apr. 24, 1991>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 13413, Jul. 1, 1991>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date the Seoul Metropolitan Council is formed.

**Articles 2 through 4 Omitted.**

ADDENDA <Presidential Decree No. 13870, Mar. 6, 1993>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation.

**Articles 2 through 4 Omitted.**

ADDENDA <Presidential Decree No. 14438, Dec. 23, 1994>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation.

**Articles 2 through 5 Omitted.**

ADDENDUM <Presidential Decree No. 15608, Jan. 16, 1998>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 17854, Dec. 30, 2002>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on January 1, 2003.

**Articles 2 through 8 Omitted.**

ADDENDUM <Presidential Decree No. 18312, Mar. 17, 2004>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 20678, Feb. 29, 2008>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

**Articles 2 through 7 Omitted.**

ADDENDUM <Presidential Decree No. 21215, Dec. 31, 2008>

This Decree shall enter into force on the date of its promulgation.

ADDENDA <Presidential Decree No. 22151, May 4, 2010>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on May 5, 2010.

**Articles 2 through 4 Omitted.**

ADDENDA <Presidential Decree No. 24442, Mar. 23, 2013>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

**Articles 2 through 12 Omitted.**

